

109TH CONGRESS  
1ST SESSION

# H. R. 436

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IN THE SENATE OF THE UNITED STATES

APRIL 7, 2005

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend the Investment Company Act of 1940 to provide  
incentives for small business investment, and for other  
purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Increased Capital Ac-  
3 cess for Growing Business Act”.

4 **SEC. 2. AMENDMENTS TO THE INVESTMENT COMPANY ACT**  
5 **OF 1940.**

6       (a) DEFINITION OF ELIGIBLE PORTFOLIO COM-  
7 PANY.—Section 2(a)(46)(C) of the Investment Company  
8 Act of 1940 (15 U.S.C. 80a–2(a)(46)(C)) is amended—

9           (1) by striking clause (i) and inserting the fol-  
10       lowing:

11                   “(i) it does not have any class of eq-  
12                   uity securities listed for trading on a na-  
13                   tional securities exchange or traded  
14                   through the facilities of a national securi-  
15                   ties association as described in Section  
16                   15A of the Securities Exchange Act of  
17                   1934;”;

18           (2) by striking “or” at the end of clause (iii);

19           (3) by redesignating clause (iv) as clause (v);

20       and

21           (4) by inserting after clause (iii) the following  
22       new clause:

23                   “(iv) the aggregate value of its out-  
24                   standing publicly traded equity securities is  
25                   not more than \$250,000,000, except that  
26                   the Commission may adjust such amounts

1 by rule, regulation, or order to reflect  
2 changes in one or more generally accepted  
3 indices or other indicators for small busi-  
4 ness, consistent with the public interest,  
5 the protection of investors, and the pur-  
6 poses fairly intended by the policy and pro-  
7 visions of this title; or”.

8 (b) ASSETS OF BUSINESS DEVELOPMENT COMPA-  
9 NIES.—Section 55(a)(1) of the Investment Company Act  
10 of 1940 (15 U.S.C. 80a–55(a)(1)) is amended—

11 (1) in subparagraph (B), by striking “securities  
12 with respect to which a member of a national securi-  
13 ties exchange, broker, or dealer may extend or main-  
14 tain credit to or for a customer pursuant to rules or  
15 regulations adopted by the Board of Governors of  
16 the Federal Reserve System under Section 7 of the  
17 Securities Exchange Act of 1934” and inserting the  
18 following: “equity securities listed for trading on a  
19 national securities exchange or traded through the  
20 facilities of a national securities association as de-  
21 scribed in Section 15A of the Securities Exchange  
22 Act of 1934”; and

23 (2) by striking “or” at the end of subparagraph  
24 (A), by inserting “or” after the semicolon at the end

1 of subparagraph (B), and by inserting after sub-  
2 paragraph (B) the following new subparagraph:

3 “(C) from the issuer of such securities,  
4 which issuer is described in section 2(a)(46)(A)  
5 and (B) but is not an eligible portfolio company  
6 because the aggregate value of its outstanding  
7 publicly traded equity securities is more than  
8 \$250,000,000 but not more than \$500,000,000,  
9 if such securities represent not more than 10  
10 percent of the total assets of the business devel-  
11 opment company invested in securities de-  
12 scribed in paragraphs (1) through (6) of this  
13 section;”.

Passed the House of Representatives April 6, 2005.

Attest:

JEFF TRANDAHL,

*Clerk.*